



The National Bank

OF PITTSBURG

November 19, 1985

1480
REGISTRATION NO. 1480

NOV 26 1985 - 10 00 AM

INTERSTATE COMMERCE COMMISSION

Mildred Lee
Interstate Commerce Commission
Room 2303
12th Street and Constitution Avenue N.W.
Washington, D.C. 20423

11/26/85
10:00

Dear Ms. Lee:

Enclosed please find the following:

OC Washington, D.C.

1. Original security agreement between The National Bank of Pittsburgh and Lyle H. and JoAnn Laughlin
2. Notarized copy of the above security agreement
3. Our check in the amount of \$10.00

Would you please enter into your agency's records the above security assignment and forward to me the original security agreement with proper notation made. For your records, this bank's address is listed below and the address of the Laughlin's is as follows:

Lyle H. Laughlin
JoAnn Laughlin
1601 S. College
Pittsburg, Kansas 66762

If you should have questions, please call.

Yours very truly,

Michael W. Slack
Executive Vice President
and Trust Officer

MWS:BKS

Enclosure

NOV 26 1985 - 10 00 AM SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

Pittsburg

Kansas

November 19

1985

TO: The National Bank of Pittsburg

The undersigned and each of the undersigned grant to The National Bank of Pittsburg, 3rd. & Bdwy., Pittsburg, Ks. 66762 ("Bank") a security interest in the following property and any and all increases, additions, accessions, substitutions and proceeds thereto and therefor (herein called "Collateral") in order to secure that certain note payable to The National Bank of Pittsburg dated August 30, 1984 in the original amount of \$69,774.43 executed by Lyle H. Laughlin: The following 100-ton, 20,000 gallon capacity railroad tank cars, class DOT 111A100W1

Manufacturer

Serial #

ACF Industries, Incorporated

RVSX241

ACF Industries, Incorporated

RVSX242

and the right to receive proceeds from rental or use of said cars pursuant to that certain Railroad Car Management Agreement dated August 30, 1979 between Lyle H. Laughlin and United States Rail Services, Inc., A California Corporation.

together with all rights relating thereto. Should the Bank deem any Collateral inadequate or unsatisfactory, or should the value of the Collateral decline the Bank shall have the right to call for additional Collateral to its satisfaction.

The security interest granted to the Bank hereunder shall secure all obligations of the undersigned to the Bank, howsoever created, evidenced or arising, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due ("Obligations").

If any notification of intended disposition by the Bank of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to the undersigned either at the address shown below, or at any other address of the undersigned appearing on the records of the Bank. The rights, duties and obligations hereunder of the Bank and the undersigned shall, unless otherwise required by law, be governed by the provisions of the Uniform Commercial Code as in effect from time to time in the State of Kansas and other laws of the State of Kansas, or the laws in the State where filed.

If more than one party shall sign this Agreement, the term "undersigned" shall mean and include all parties signing this Agreement and each of them, jointly and severally.

The Debtor agrees that he has read this agreement and that this agreement includes and is subject to the additional provisions set forth below and on the reverse side hereof, such additional provisions, without limitation because of enumeration, being incorporated herein by reference.

If the Collateral is to be attached to real estate, a legal description of the real estate is as follows:

and the name of the record owner is _____ and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby, the Debtor will on demand of the Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, or any interest in the Collateral which is prior to the Secured Party's interest.

This security agreement continues on the reverse side.

NOTICE TO CONSUMER: 1. Do not sign this agreement before you read it. 2. You are entitled to a copy of this agreement. 3. You may prepay the unpaid balance at any time without penalty.

THE NATIONAL BANK OF PITTSBURG

SECURED PARTY

By _____

(over)

Lyle H. Laughlin
JoAnn Laughlin

Lyle H. Laughlin

DEBTOR(S)

JoAnn Laughlin

State of Kansas
County of Crawford

Subscribed and sworn to before me this 21 day of November, 1985
personally appeared Lyle & Jo Ann Laughlin who executed
the foregoing instrument.

Elizabeth Kelly

Notary Public

Comm. Exp. January 29, 1987

ADDITIONAL PROVISIONS

FURTHER WARRANTIES AND COVENANTS OF THE DEBTOR. The Debtor hereby warrants and covenants that:

1. Except for the security interest granted hereby, the Debtor is the owner of the Collateral free from any prior lien, security interest or encumbrance; and the Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

2. The Debtor will not sell or offer to sell or otherwise transfer or encumber the Collateral or any interest therein without the prior written consent of the Secured Party.

3. No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Debtor will immediately notify the Secured Party in writing of any change in address from that shown in this agreement and will also upon demand furnish to the Secured Party such further information and will execute and deliver to the Secured Party such financing statements, mortgages and other papers and will do all such acts and things as the Secured Party may at any time or from time to time reasonably request and/or as may be necessary or appropriate to establish and maintain a valid security interest in the Collateral as security for the Obligations, subject to no prior liens or encumbrances.

4. The Debtor will keep the Collateral at all times insured against risks or loss or damage by fire (including so-called extended coverage), theft and such other casualties as the Secured Party may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as the Secured Party may approve, losses in all cases to be payable to the Secured Party and the Debtor as their interest may appear. All policies of insurance shall provide for at least ten days' prior written notice of cancellation to the Secured Party; and the Debtor shall furnish the Secured Party with certificates of such insurance or other evidence satisfactory to the Secured Party as to compliance with the provisions of this paragraph. The Secured Party may act as attorney for the Debtor in making, adjusting and settling claims under such policies, in cancelling such insurance and endorsing the Debtor's name on any drafts drawn by insurers of the Collateral.

5. The Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, will not waste or destroy the Collateral or any part thereof and will not use the Collateral in violation of any applicable statute, ordinance or policy of insurance thereon. The Secured Party may examine and inspect the Collateral at any reasonable time or times wherever located.

6. The Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or any note(s) evidencing any of the Obligations.

ADDITIONAL RIGHTS OF PARTIES. At its option, but without obligation to the Debtor to do so, the Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance thereon, may order and pay for the repair, maintenance and preservation thereof and pay any necessary filing or recording fees. The Debtor agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization. Any insurance premiums paid for by Secured Party shall be refunded to Secured Party in the event the policies are cancelled. Until default the Debtor may have possession of the collateral and use the same in any lawful manner not inconsistent with this agreement.

If after giving prior notification and giving the Debtor reasonable opportunity to perform his warranties and covenants as to insuring and preserving the Collateral the Secured Party pays for performance of the duties on behalf of the Debtor, Secured Party may add the amounts paid to the debt. Within a reasonable time after advancing any sums, Secured Party shall state to Debtor in writing the amount of the sums advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the Debtor performed by the Secured Party pertain to insurance, a brief description of the insurance paid for by the Secured Party including the type and amount of coverages. Secured Party may make a finance charge for sums so advanced at a rate not exceeding the ANNUAL PERCENTAGE RATE stated in the obligation secured hereby.

EVENTS OF DEFAULT—REMEDIES Upon the happening of any of the following events or conditions, namely: (i) default in the payment or performance of any of the Obligations or of any covenants or liability contained or referred to herein or in any note evidencing any of the Obligations; (ii) any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Debtor in connection with this agreement or to induce the Secured Party to make a loan to the Debtor proving to have been false in any material respect when made or furnished; (iii) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, of the making of any levy, seizure or attachment thereof or thereon; (iv) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for the Debtor, thereupon, or at any time thereafter (such default not having previously been cured) or for any other reason the Secured Party may deem the prospect of payment, performance, or realization of Collateral is significantly impaired, the Secured Party at its option may declare all of the Obligations to be immediately due and payable and shall then have the remedies of a secured party under the Uniform Commercial Code of Kansas, or other applicable law, including, without limitation thereto, the right to take possession of the Collateral. The Secured Party may require the Debtor to make the Collateral available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give the Debtor at least ten days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Expenses of retaking, holding, preparing for sale, selling or the like shall be paid from the proceeds of the Collateral.

GENERAL This agreement and the security interest in the Collateral created hereby shall terminate when Obligations have been paid in full. No waiver by the Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. All rights of the Secured Party hereunder shall inure to the benefits of its successors and assigns; and all obligations of the Debtor shall bind the heirs, legal representatives, successors and assigns of the Debtor. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall take effect when signed by the parties hereto.